

Indiana Certified Technology Parks

Background | Eligibility
Certification Benefits | Certification Procedures
Technology Development Grant Fund

Background

House Enrolled Act 1001ss, which was passed as part of the 2002 Special Session of the General Assembly, authorizes the establishment of certified technology parks in Indiana. This new law, found in Indiana Code 36-7-32, encourages the location of high-technology businesses within areas identified by local redevelopment commissions.

Eligibility

Cities, towns and counties that have a department of redevelopment, or a department of metropolitan development as its redevelopment commission, may be eligible to have all or part of the area within the jurisdiction of its redevelopment commission designated as a certified technology park if the following conditions are met:

- An application is submitted by the city, town or county to the Indiana Department of Commerce (IDOC).
- A firm commitment is demonstrated from at least one business primarily engaged in a high technology activity creating a significant number of jobs.
- One or more of the following criteria are met:
 1. Significant support from an institution of higher education or a private research-based institute located within, or in the vicinity of, the proposed certified technology park is demonstrated. "Significant support" may be demonstrated through evidence of:
 - A. Grants of preferences for access to and commercialization of intellectual property.
 - B. Access to laboratory and other facilities owned by or under the control of the institution of higher education or private research-based institute.
 - C. Donations of services.
 - D. Access to telecommunications facilities and other infrastructure.
 - E. Financial commitments.
 - F. Access to faculty, staff and students.
 - G. Opportunities for adjunct faculty and other types of staff arrangements or affiliations.
 - H. Other criteria considered appropriate by the department on a case-by-case basis.
 2. A significant commitment by the institution of higher education or private research-based institute to the commercialization of research produced at the certified

- technology park as evidenced by intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.
3. A demonstration that the proposed certified technology park will be developed to take advantage of unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.
 4. The existence of, or proposed development of, a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:
 - A. Significant financial and in-kind support from public or private resources in the area of the proposed certified technology park.
 - B. A business plan that reflects economic utilization and availability of resources, and exhibits a likelihood of successful development of technologies and research into viable business enterprises.
 - C. A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.
 5. A business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion, and that addresses:
 - A. A commitment to new business formation.
 - B. The clustering of businesses, technology and research.
 - C. The opportunity for, and costs of, development of properties under common ownership or control.
 - D. The availability of, and method proposed for future development of, infrastructure and other improvements, including telecommunications technology necessary for the development of the proposed certified technology park.
 - E. Assumptions of costs and revenues related to the development of the proposed certified technology park.
 6. A sufficiently demonstrated assurance that the proposed certified technology park will be developed to principally contain property that is primarily used for, or will be primarily used for, a high-technology activity or a business incubator.

For purposes of the certified technology park criteria, a "high-technology activity" is a business activity that meets one or more of the following criteria:

1. Data communications, information technologies or advanced computing; Any technology used in the design and development of computer hardware and software.

2. Advanced materials; Any materials with engineered properties created through the development of specialized process and synthesis technology.

3. Biotechnology; Technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals or develop microorganisms for useful purposes. *Biotechnology does not include human cloning or stem cell research with embryonic tissue.*

4. Electronic device technology; Technology that involves microelectronics, semiconductors, or electronic equipment; instrumentation, radio frequency, microwave and millimeter electronics; optical and optic electrical devices; or data and digital communications and imaging devices.

5. Engineering or laboratory testing related to the development of a product;

6. Technology that assists in the assessment or prevention of threats or damage to human health or the environment; This includes environmental cleanup technology, pollution prevention technology or development of alternative energy sources.

7. Medical device technology; Technology that involves medical equipment or products, other than pharmaceutical products, that has therapeutic or diagnostic value and is regulated.

8. Product research and development; or

9. Advanced vehicles technology; Technology that involves electric vehicles, hybrid vehicles or alternative fuel vehicles; or components used in the construction of electric vehicles, hybrid vehicles or alternative fuel vehicles.

Note: Proposed parks that would result in a substantial reduction or termination of operations in another location in Indiana in order to relocate them within the certified technology park are not eligible.

Certification Benefits

Redevelopment commissions for areas that receive designation as Indiana Certified Technology Parks may adopt a resolution designating the park as an allocation area for purposes of the allocation and distribution of taxes into a certified technology park fund. They may do so only after notice is published and a public hearing is held. An incremental tax fund is established by the Indiana State Treasurer, which shall consist of gross retail incremental taxes paid by businesses located within the certified park and income tax incremental amounts paid by employees located within the certified park. On a monthly basis, amounts held within the certified park's incremental tax financing fund are distributed to the redevelopment commission for deposit into the certified technology park fund. Funds within the certified technology park fund may be used for:

1. Acquisition, improvement, demolition, maintenance, equipping and other activities associated with public facilities.
2. Operation of the public facilities.
3. Payment of principal and interest on obligations payable as part of money deposited into the fund that are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the park.
4. Establishment, augmentation or restoration of the debt service reserve for obligations contained in #3 above.
5. Payment of principal and interest on bonds issued by the certified park applicant to pay for public facilities either in or serving the certified park.
6. Payment of premiums on the redemption before maturity of bonds described in #3 above.

7. Payment of amounts due under leases payable from money deposited in the fund.
8. Reimbursement to the certified park's applicant for expenditures made by it for public facilities either in or serving the certified technology park.
9. Payment of expenses incurred by the redevelopment commission for public facilities that are either in or serving the certified technology park.

The redevelopment commission may also adopt a resolution that establishes a property tax credit for each taxpayer located within the certified technology park after an allocation area is established.

A redevelopment commission may issue bonds for purposes of providing public facilities associated with the certified technology park.

Certification Procedures

1. The city, township or county in which the proposed certified technology park will be located submits an Indiana Certified Technology Park application to the Indiana Department of Commerce at:

Indiana Department of Commerce
Development Finance Division/Certified Technology Parks
One North Capitol, Suite 700
Indianapolis, IN 46204

An application may also be obtained and submitted in electronic format via IDOC's Web site.

2. The IDOC Certified Technology Park Review Team receives the application and reviews all applications received during the prior month on a monthly basis. Each application shall be reviewed based upon the criteria included in the Eligibility section of this program description. If follow-up questions exist, a representative from the IDOC Review Team shall contact the applicant for further clarification and/or documentation.
3. Unsuccessful applicants are notified via telephone and mail regarding the fact that their application for designation as an Indiana certified technology park did not meet the certification criteria. Specific reasons for the denial of certification are provided in the denial letter.
4. Successful applicants are provided IDOC's Indiana Certified Technology Park designation letter along with an Indiana Certified Technology Park Agreement for signatures. The agreement must be signed by IDOC, the local redevelopment commission and the local legislative body that established the redevelopment commission.
5. Certified parks must provide a certified copy of the Indiana Certified Technology Park designation letter, a certified copy of the Certified Technology Park Agreement and a list of its certified technology park employers' names, street names and range of street numbers to the Indiana

Department of Revenue (DOR). Certified parks' redevelopment commissions must provide an updated list of the employers to DOR annually before July 1.

6. A list of Indiana Certified Technology Parks will be maintained at the IDOC office and will be included in an online listing within IDOC's Web site. The listing will be provided to prospective companies that are engaged in high-technology activities or have expressed an interest in locating in an area that would fit the description of the certified technology parks.

Technology Development Grant Fund

Effective July 1, 2003, a new funding source has been established by the Indiana General Assembly in order to provide assistance to Certified Technology Parks for capital expenditures and operational expenses incurred by the Certified Technology Park's redevelopment commission (or department of metropolitan development). A redevelopment commission that has received a Certified Technology Park designation may apply to IDOC for funding from the Technology Development Grant Fund (the "Grant Fund").

During the life of the Certified Technology Park, funding may be awarded in an amount up to:

- a). Two million dollars (\$2,000,000) for leasing, construction or the purchase of capital assets located within the Certified Technology Park; and
- b). Two million dollars (\$2,000,000) for operating expenses, with not more than five hundred thousand dollars (\$500,000) distributed in any one fiscal year.

Grant awards for leasing a capital asset under a) above may be applied only to lease payments made during the fiscal year in which the award is made, or may be applied during each of the three fiscal years following the fiscal year in which the grant award was made.

Grant awards for operational expenses awarded under b). above may not exceed 80% of the total operating expenditures in the year in which the grant is provided, and may not exceed 60%, 40% and 20% of the total operating expenses in the three successive fiscal years following the fiscal year in which the grant is awarded.

Grants received for capital expenditures must be matched by other sources in the amount of the lesser of two million dollars, or 50% of the total capital costs.

Applications for awards from the Grant Fund may be obtained from the IDOC office. Completed applications should be returned to the IDOC office at the following address:

Indiana Department of Commerce
Development Finance Office
CTP/Technology Development Grant Fund

One North Capitol, Suite 700
Indianapolis, IN 46204

Applications for the 2003 fiscal year funding period must be post-marked on or before September 15, 2003. Grant fund applications for the 2004 fiscal year must be post-mark on or before September 1, 2004.

***Note: Application deadlines may be subject to change. Please contact IDOC in order to receive updated information regarding application deadlines.**

IDOC may also award grants from the Grant Fund to political subdivisions in order to reimburse ad valorem property taxes allocated to an incremental tax fund created under the Certified Technology Park Statute.

Any questions or comments regarding the Certified Technology Park Program or the Technology Development Grant Fund should be directed to the Indiana Department of Commerce at 232-8800.